

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2187 - HB 2306

March 21, 2018

SUMMARY OF BILL: Requires eligible individuals applying for or renewing a motor vehicle driver license or photo identification license to be automatically registered to vote. Requires the Department of Safety (DOS) to provide the opportunity for declination of registration on all such applications. Requires county election commissions, upon receiving a completed application, to notify the individual, by certified mail, return receipt requested, that the county election commission must be notified within 21 calendar days if declination of registration is requested.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – \$489,400/FY18-19

Increase Local Expenditures –

Exceeds \$2,302,100/FY18-19*

Exceeds \$4,704,300/FY19-20 and Every Two Years Thereafter*

Exceeds \$4,904,300/FY20-21 and Every Two Years Thereafter*

Assumptions relative to administrative processes:

- The proposed language will take effect upon becoming law, for administrative implementation purposes; however the remaining provisions will take effect January 1, 2019.
- Pursuant to Tenn. Code Ann. § 2-2-201(a), the DOS includes a voter registration application as part of any motor vehicle driver or photo identification license application, and such applications offer individuals the option to decline to register to vote.
- The proposed language would offer specific language which would be required on all electronic and paper applications for motor vehicle driver licenses or photo identification licenses.
- Based on information provided by the DOS, there will be a one-time increase in state expenditures estimated to be \$89,409 for reprinting of current applications and a one-time increase in state expenditures of \$125,000 for software updates to install the specific language required by the proposed legislation.
- Under current law, pursuant to Tenn. Code Ann. § 2-2-201(a)(2)(D), the DOS is required to provide voter registration applications to county election commissions.
- The proposed language will require such applications to be submitted electronically.

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- Electronic submission of voter registrations can be accomplished within existing resources of the DOS.
- Updates to the voter registration database will be required in order to account for persons automatically registered who have 21 days to decline registration. Such updates are estimated to result in a one-time increase in state expenditures of \$275,000.
- The total one-time increase in state expenditures for updates to software and databases and printing for paper registrations is estimated to be \$489,409 (\$125,000 DOS + \$275,000 voter registration database + \$89,409 reprinting registrations)

Assumptions relative to non-administrative purposes:

- The proposed language would make non-administrative functions effective beginning January 1, 2019.
- The proposed language would require county election commissions to notify all automatically registered individuals by certified mail, return receipt requested, that they have 21 calendar days to notify the county election commission of their wish to decline to be registered.
- County election commissions will require additional postage and printing costs associated with the newly-required notifications.
- Approximately 1,857,432 transactions were completed by the Drivers Services Division within the DOS in FY16-17.
- Assuming the number of transaction remains constant and approximately 50 percent of applicable applications are currently unregistered voters each fiscal year, the mandatory recurring increase in local expenditures for mailing notifications by certified mail, return receipt requested, is estimated to exceed \$4,504,273 [(1,857,432 transactions x 50%) x (\$3.35 certified mail charge + \$1.45 return receipt requested charge + \$0.05 envelope and printing costs per notification)].
- From January 1, 2019 to June 30, 2019, there will be a mandatory increase in local expenditures for mailing such notifications by certified mail, return receipt requested, estimated to exceed \$2,252,137 (\$4,504,273 each fiscal year x 50% half fiscal year).
- Pursuant to Tenn. Code Ann. § 2-2-109, applications for registration may not be submitted after 29 days prior to an election; and pursuant to Tenn. Code Ann. § 2-6-102, early voting occurs no more than 20 days nor less than 5 days before the day of the election.
- Persons automatically registered will have 21 days to decline such registration, and the period for which they will be authorized to decline will overlap with the early voting period.
- In order to process voter registrations which will occur during the early voting period, county election officers will require additional staff, supplies, computers, and workstations.
- Based on a survey of county election commissions conducted by the Division of Elections, the recurring mandatory increase in local expenditures is estimated to exceed \$200,000 per early voting period for additional staff and supplies and a one-time increase in mandatory local government expenditures exceeding \$50,000 for computers and workstations.

- In FY18-19, there will be a mandatory increase in local expenditures exceeding \$2,302,137 (\$2,252,137 mailing costs + \$50,000 supplies).
- In FY19-20 and every two years thereafter, there will be a mandatory increase in local expenditures exceeding \$4,704,273 (\$200,000 staffing + \$4,504,273 mailing); and in FY20-21 and every two years thereafter, there will be a mandatory increase in local expenditures exceeding \$4,904,273 [(\$200,000 per early voting period x 2 election cycles) + \$ 4,504,273 mailing].

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

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